

**EDUCATION DEPARTMENT[281]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code section 256.7(5), the State Board of Education hereby amends Chapter 98, “Financial Management of Categorical Funding,” Iowa Administrative Code.

This chapter, which provides guidance on financial management of multiple public school funds, was adopted effective September 30, 2009, with the exception of rules 281—98.12(257,299A) and 281—98.112(275), both of which were delayed 70 days by the Administrative Rules Review Committee at the Committee’s meeting of September 8, 2009. At its meeting held December 8, 2009, the Committee took no further action on rule 281—98.112(275), but voted to delay the effective date of rule 281—98.12(257,299A) until the adjournment of the 2010 Session of the General Assembly. During the 2010 Session, 2010 Iowa Acts, Senate File 2376, was enacted, specifying in section 40 thereof the lawful purposes of the per-pupil funding received by a school district that operates a home school assistance program. That provision is implemented in Item 3. Because it was necessary to amend the chapter, other items have been edited, as follows:

Item 1 includes the definition of community education, taking the definition from statute (Iowa Code section 276.3) for the ease of the reader.

Item 2 requires amending because market factor incentive pay from Iowa Code section 284.11 (2007) has ceased to exist, but school districts need guidance regarding their unspent funds.

Items 4 and 5 correct confusion that developed regarding the Department’s erroneous reference to “dean of students” in the to-be-stricken language. A dean of students is a school administrator, and school administrators are addressed later in both rules.

Items 6 and 9 include changes made to Iowa Code section 257.9, subsections 6 and 7, to the names of funds. Such changes were not made in the substantive sections of statutes, so the Department has chosen to use both names.

Items 7, 8, and 10 make necessary adjustments to acknowledge that the educational excellence Phase II program and the educator quality basic salary program were combined and that they and the educational excellence Phase I program are no longer grants-in-aid, but are budgetary allocations.

Item 11 implements the change to the definition of “textbook” in 2010 Iowa Acts, Senate File 2178.

Item 12 includes a clarification that is important for auditors and for the state appeals board and that was inadvertently omitted when the chapter was first adopted.

An agencywide waiver provision is provided in 281—Chapter 4.

Notice of Intended Action was published in the August 25, 2010, Iowa Administrative Bulletin as **ARC 9017B**. Public comments were allowed until 4:30 p.m. on September 14, 2010. No written or oral comments were received by the Department. One comment was sent to members of the Administrative Rules Review Committee expressing two concerns. The first is that new rule 281—98.12(257,299A) refers only to “home school assistance program” and not to “prekindergarten through grade twelve home school assistance program.” The other concern is with the addition of the definition of “dual enrollment.”

The Department is not adding the proposed definition of “dual enrollment” to these amendments. This definition is in Iowa Code section 299A.8 and rule 281—31.6(299A), and was proposed in these amendments solely as a convenience for the reader. This chapter of rules is not harmed by omitting the definition. As to the other concern raised, the Department declines to modify “home school assistance program” by adding grade levels. A school district that offers a home school assistance program receives public funding for students of compulsory attendance age who enroll in the program. If the district chooses to serve students beyond compulsory attendance age, it receives no funds for those students. Modifying the term by adding “pre-kindergarten through grade twelve” may confuse the public with an inference that public funding is available for all ages of students.

These amendments have been changed since publication of the Notice of Intended Action: The proposed definition of “dual enrollment” has not been adopted in Item 1.

These amendments shall become effective January 19, 2011.

These amendments are intended to implement 2010 Iowa Acts, Senate File 2178, 2010 Iowa Acts, Senate File 2376, section 40, and Iowa Code chapters 257 and 284.

EDITOR'S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [amendments to Ch 98] is being omitted. With the exception of the change noted above, these amendments are identical to those published under Notice as **ARC 9017B**, IAB 8/25/10.

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[For replacement pages for IAC, see IAC Supplement 12/15/10.]